

HOME AND COMMUNITY-BASED WAIVER PROGRAM REPORT

(FY2007 Appropriation Bill - Public Act 330 of 2006)

August 1, 2007

Section 1689: (1) Priority in enrolling additional persons in the Medicaid home- and community-based services waiver program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home- and community-based services. The department shall implement screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program. If there is a net decrease in the number of Medicaid nursing home days of care during the most recent quarter in comparison with the previous quarter and a net cost savings attributable to moving individuals from a nursing home to the home- and community-based services waiver program, the department shall transfer the net cost savings to the home- and community-based services waiver program. If a transfer is required, it shall be done on a quarterly basis.

*Michigan Department
of Community Health*



**Jennifer M. Granholm, Governor
Janet Olszewski, Director**

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH FY 2007 BOILERPLATE REPORTING REQUIREMENT

Progress on Medicaid Home and Community-Based Services Program FY 2007 Third Quarter Report

Boilerplate Section 1689 (1)

Priority in enrolling additional persons in the Medicaid home and community based services program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home and community based services.

The Michigan Medicaid Long-Term Care Taskforce outlined a bold agenda to transform Michigan's long-term care system. The recommendations include requiring person-centered planning in LTC, improving access to services by establishing *Money Follows the Person* principles, establishing single point of entry programs, supporting and sustaining prevention activities that ensure independent living, promoting meaningful consumer participation in the long-term care system through an LTC Commission, establishing a new quality management system for all of long-term care, developing a stronger direct care workforce, and adapting financing structures that maximize resources. In response to the recommendations, the Governor issued Executive Order 2005-14, establishing the Office of Long-Term Care Supports and Services within the Michigan Department of Community Health, and charged it with the implementation of the Task Force recommendations.

Four pilot Single Points of Entry have been developed to streamline the informational maze faced by seniors and their families entering the long-term care system. These "one stop" shops will serve 47% of Michigan's LTC population when fully operational. MDCH has contracted with four separate independent entities to develop local resources that will assist Michigan's Senior citizens and disabled community with identifying their individual desires through a person centered planning process and to implement these goals within the resources available and program guidelines of Michigan's long term care system.

In addition, the Michigan Department of Community Health (MDCH) has prioritized nursing facility residents for utilizing MI Choice resources. MDCH guarantees to its contracted MI Choice Waiver agents resources above the current year's contract amount for nursing facility residents who have resided in the facility for six consecutive months and are transitioned to the community. Nursing Facility Transitions into the MI Choice Program are tracked on a quarterly basis. The MI Choice Waiting List grants priority status regardless of length to all nursing facility residents within the current year's contract amounts.

Boilerplate Section 1689 (1)

The department shall implement screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes that would be more appropriately served by the Medicaid home and community based services program.

The decision of where an individual will live is a matter of personal choice that depends on the preferences and desires of the individual. The Michigan Medicaid Long Term Care level of care determination does not mandate which long term care program an individual may choose. The department follows federal regulations stipulating that all recipients, whether they are served in the community or an institutional setting, meet the same functional eligibility requirements. This is accomplished through the Michigan Medicaid level of care determination tool developed in partnership with the University of Michigan's Institute of Gerontology. Individuals with demonstrated need are offered the choice of services. Depending on the individual circumstances and the unique eligibility criteria of the various programs, an individual may be offered Nursing Facility services, MI Choice Waiver Service, Home Help Services, or PACE services. An individual is free to choose the program and setting that best meets their individual preferences.

Michigan has an Independence Plus Grant that also contains a project component to develop training to introduce the principles of person-centered planning in the MI Choice Waiver program. In addition, Michigan was awarded a Robert Wood Johnson Foundation Cash & Counseling grant to incorporate the elements of self-direction in the MI Choice waiver program. In October 2006, Michigan received approval from CMS to allow self-direction of personal care, homemaking, respite, chore, and non-medical transportation services. This approved amendment also added fiscal intermediary services. These policies will affect not only Medicaid funded services but also the state-funded Care Management services that are provided through a majority of the waiver agencies for individuals not eligible for the MI Choice waiver. These funds are provided through the Office on Services to the Aging.

The following is a summary of functional/medical eligibility reviews performed to date and findings:

**Michigan Medicaid Nursing Facility Level of Care Determination
Third Quarter FY 2007
LOC Determinations**

Provider Type	April		May		June	
	Ineligible	Total	Ineligible	Total	Ineligible	Total
17	0	4	0	22	0	13
60	9	2182	11	2159	14	2239
61	2	175	2	224	4	203
62	0	124	0	93	1	158
63	0	22	0	20	0	24
77	11	321	24	395	24	429
Total	22	2828	37	2913	43	3066
Ineligible	0.8%		1.3%		1.4%	
Eligible		99.2%		98.7%		98.6%

Data includes duplicate LOCDs; margin of error 4-5%

MDCH implemented revised functional/medical eligibility criteria effective November 1, 2004. Currently, all participants enrolled in the MI Choice Program are eligible for nursing home level of care, according to federal Medicaid guidelines. The MI Choice Program meets the requirement that all persons must meet the nursing facility level of care and thus are at risk for institutionalization.

Boilerplate Section 1689 (1)

If there is a net decrease in the number of Medicaid nursing home days of care during the most recent quarter in comparison with the previous quarter in comparison with the previous quarter and the net cost savings attributable to moving individuals from a nursing home to the home and community based services waiver program, the department shall transfer the net cost savings to the home- and community based services waiver.

Boilerplate Section 1689 (2)

Within 30 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for home and community based waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving persons from a nursing home to the home and community based services waiver program and the amount of funds transferred.

The MI choice waiver program transitioned 86 individuals into the MI Choice Waiver program during the third quarter of Fiscal Year 2007. These transitions were reported in the MI Choice Transition database, which is populated from transition notices sent by the waiver agencies. This represents a savings of \$610,428 for the quarter and an aggregate savings of \$1,327,326 to date in FY 2007.¹ The ability of Michigan senior citizens to age in the setting of their choice offers a measure of dignity and respect that goes far beyond the fiscal savings. These cost savings are reflected in the increased service costs associated with our current nursing facility transition procedures.

The table below identifies the funds allocated to each MI Choice Program for FY 2007. Since providers are prospectively reimbursed based on the projected number of participants each month, and providers have 180 days from the service date to submit a 'suppressed' claim, there is no accurate account of actual quarterly expenditures at this time. Included below are the prospective reimbursement payments to date by waiver program. These prospective payments are cost settled to assure that only payments for delivered services meeting all program requirements are reimbursed.

Waiver Program	FY 2007 Allocation	FY 2007 Payments²
A & D Home Health Care	\$ 4,541,120	\$2,820,016
AAA 1-B	\$13,850,428	\$8,897,843
AAA of Northwest Michigan	\$ 2,635,137	\$1,668,705
AAA of Western Michigan	\$ 6,928,181	\$4,400,103
Burnham Brook Center	\$ 7,434,476	\$4,738,541
Detroit AAA	\$10,112,380	\$8,115,097
Home Health Services, Inc.	\$ 7,280,886	\$4,477,331
Information Center	\$ 2,314,851	\$1,482,911
MORC	\$ 3,806,175	\$2,318,490
NEMSCA	\$ 2,643,663	\$1,723,441
Northern Lakes Community Mental Health Authority	\$ 2,296,452	\$1,468,788
Northern Michigan Regional Health System	\$ 1,892,497	\$1,185,772
Region 2 Area Agency on Aging	\$ 4,403,271	\$2,862,973
Region IV AAA	\$ 5,523,473	\$3,687,407
Region VII AAA	\$ 5,109,035	\$3,394,101
Senior Alliance	\$ 2,117,313	\$1,720,876
Senior Resources	\$ 5,639,641	\$3,500,926
Senior Services	\$ 2,785,090	\$1,872,632
Tri-County Office on Aging	\$ 6,917,598	\$4,739,706
Upper Peninsula AAA	\$ 6,670,230	\$4,468,973
Valley AAA	\$ 3,441,019	\$2,221,670
Total	\$108,342,916	\$71,766,142

¹ These cost savings are estimates based on average cost analysis which took place in FY 2005. Using this data, we estimated cost savings of approximately \$2,366 per month per individual.

² This data is based on the Home and Community Based Services, Elderly and Disabled (HCBS/ED) Final Expenditure Report for FY 2005-06 as of May 31, 2007.